



Defense Finance and Accounting Service

Annuitant Pay Newsletter

December 2004

Legislation: Social Security Offset to Annuities to be Phased Out

Congress has approved legislation that - over a three and half year period - will eliminate the Social Security Offset reduction applied to the Survivor Benefit Plan (SBP) annuity. This will eliminate the annuity reduction from 55 percent to 35 percent when the annuitant reaches age 62. The reduction will be phased in through April 2008. In October 2005, those affected annuitants whose annuity had been reduced to 35 percent will see their annuity increased to the 40 percent level. In April 2006, the annuities will be increased to 45 percent, in April 2007 they will increase to 50 percent, and in April 2008 they will be fully restored to the 55 percent level.

These changes require no action on the part of annuitants.

Cost of Living Adjustments for 2005

Based on the increase to the Consumer Price Index, there will be a cost of living increase for retired pay and the SBP annuities effective Dec. 1, 2004.

Full 2.7 percent

Partial pre 9/8/80 entrant 2.7 percent

Partials post 9/8/80 entrants:

- 2.7 percent 1st qtr of 2004 retirement
- 1.8 percent 2nd qtr of 2004 retirement
- 0.3 percent 3rd qtr of 2004 retirement
- 0.0 percent 4th qtr of 2004 retirement

*Note: The COLA will be reflected in the Jan. 3, 2005 check.

Annuitants Gain Control of their Pay Accounts With myPay

For faster filing get your 2004 Tax Statement (1099R) online at myPay (<https://mypay.dfas.mil>). Individuals can receive a 1099R and the Annuitant Account Statement (AAS) through myPay two to three weeks earlier than receiving it in the mail.



The Defense Finance and Accounting Service (DFAS) delivers personal pay information and provides the ability to process pay-related transactions timely, safely and securely to all its members through myPay. The Web-based system eliminates the risks associated with postal delivery by allowing members to access an electronic 1099R and AAS and other financial information. myPay matches existing industry standards for the highest level of encryption and security. This prevents member information from being accessed by others on the Internet.

"This program gives retirees and annuitants from all Armed Forces the reassurance that personal pay information is secure and guarded from any type of identity theft," says Dennis Eicher, director for Electronic Commerce, DFAS Military and Civilian Pay Services. "myPay offers faster enhanced services, security, accessibility and reliability to all customers, and the program saves money by reducing the cost associated with printing and mailing paper copies."

myPay provides members up-to-date information on pertinent changes by delivering notices to a user's email addresses. By having each annuitant provide an email address, DFAS will be able to directly deliver timely information on account changes or adjustments, future events, capabilities and pertinent news that any annuitant would want to know. An email address can be submitted through the "Personal Preference" page on the annuitant's myPay account.

"With myPay, retirees and annuitants gain total control of their pay account information," says Eicher. "They are able to control their military finances and benefits without long waits or mailing in forms."

Did You Know...

...Certificates of Eligibility (COE) are sent out to every annuitant once each year and should be returned as soon as possible.

...Reports of Existence (ROE) are primarily sent to annuitants who are incapacitated and/or living overseas.

...an annuitant may receive both a COE and an ROE.

...the Social Security Offset has been an integral part of the SBP program since its inception in 1972.

..."working widows" must submit their Department of Defense (DD) Form 2860 prior to April each year to continue having their Social Security Offset adjusted.

...after each college/university term, non-incapacitated child annuitants over the age of eighteen must certify their prior college/university term's attendance as well as their intent to attend the following term.

Even those who do not have a personal computer can make required changes to their pay account by using the computer and Internet access of a family member, friend, public libraries, cyber cafes or kiosks located on military installations. Customer support is available by calling 1-800-390-2348 Monday through Friday between 7 a.m. and 7:30 p.m. Eastern Standard Time.

Today, myPay has nearly three million users with customized PINs and serves all military members, military retirees and annuitants, Department of Defense civilian employees and Department of Energy employees.

If you do not have a myPay PIN, please visit the myPay Web site at <https://mypay.dfas.mil>

DFAS Expands Automated Services for Retirees and Annuitants

Military retirees and annuitants can now obtain specific account information through the Interactive Voice Response System (IVRS). When customers call 1-800-321-1080 (commercial 216-522-5955), they will hear a new menu option to use this feature.

Customers choosing to use this new feature will be asked to enter their Social Security Number and Personal Identification Number (PIN). To eliminate PIN confusion, customers can use the same PIN to access the IVRS that they use to access myPay.

Retirees and annuitants will be able to obtain specific account information in the following areas:

- Certificate of Eligibility or Report of Existence
- Deductions
- Gross and net pay
- Federal and state taxes
- Correspondence address
- Survivor Benefit Plan (SBP) coverage

This service will be available 24 hours a day, 7 days a week. We invite you to call and try it for yourself. If you do not have a myPay PIN, please visit the myPay Web site at <https://mypay.dfas.mil>.

Updating Your Address Information

To ensure proper receipt of tax documents, Annuitant Account Statements and the latest SBP informational releases, it is important that you keep DFAS apprised of your current mailing address. Address changes can be made by telephone (1-800-321-1080), email (accessible at <http://www.dfas.mil> via myPay at <https://mypay.dfas.mil> or by mail to: Defense Finance and Accounting Service, U.S. Military Annuitant Pay, P.O. Box 7131, London, KY 40742-7131.

Contacting Annuitant Pay

When calling the Annuitant Pay Contact Center, customers should have a pencil and paper ready to write down information provided by the customer service representative. Customers should be prepared to provide their Social Security Number and spouse's Social Security Number.

Our business hours are 7:00 a.m. to 7:30 p.m. Eastern Standard Time, Monday through Friday. Mondays and paydays (first business day of the month) are typically the busiest days of the week and month. Annuitants may also email questions by going to <http://www.dfas.mil>.

Helpful Customer Contact Information for Annuitants

Annuitant Pay

DFAS, US Military Annuitant Pay
PO Box 7131
London, KY 40742-7131
Toll-Free 800-321-1080
Commercial 216-522-5955
Toll-Free fax 800-982-8459
Web site <http://www.dfas.mil>

DEERS (Defense Enrollment Eligibility Reporting System)

Toll-Free 800-538-9552
Toll-Free TTY 866-363-2883
Web site
<http://www.tricare.osd.mil/deers>

Delta Dental

Toll-Free 888-336-3260
Web site <http://www.deltadental.com>

Forgotten Widows Information

Army 703-325-9158
Air Force 866-827-5672
Marines 800-531-7502
Navy 703-784-9310
ID Cards
Web site
<http://www.dmdc.osd.mil/rsl>

myPay Customer Service

DFAS-Cleveland/PMCAA
Attn: myPay, 1240 East 9th St.
Cleveland, OH 44199
Toll-Free 800-390-2348
Commercial 216-522-5122
Commercial fax 216-522-5800
Web site <https://mypay.dfas.mil>

myPay IVRS (Interactive Voice Response System)

Toll-Free 877-363-3677
Commercial 478-757-3119
Web site <https://mypay.dfas.mil>

NSLI (National Serviceman's Life Insurance)

Toll-Free 800-669-8477
Web site
<http://www.insurance.va.gov>

Social Security Administration (SSA)

Toll-Free 800-772-1213
Toll-Free TTY 800-325-0778
Web site <http://www.ssa.gov>

VA (Veterans Administration)

Toll-Free 800-827-1000
Web site <http://www.va.gov>

VGLI (Veterans' Group Life Insurance)

Toll-Free 800-419-1473
Commercial 973-548-5699
Web site
<http://www.insurance.va.gov>